



General Assembly

Substitute Bill No. 597

February Session, 2008

* SB00597APP 040108 *

**AN ACT CONCERNING STATE ASSISTANCE FOR PRESERVATION
OF THE STATE HOUSING PORTFOLIO.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2008*) (a) For purposes of this
2 section "state assistance" means a payment by the state of actual debt
3 service, comprised of principal, interest, interest rate swap payments,
4 liquidity fees, letter of credit fees, trustee fees and other similar bond-
5 related expenses.

6 (b) Not later than October 1, 2008, the state, acting by and through
7 the Secretary of the Office of Policy and Management and State
8 Treasurer, shall enter into a contract or contracts with the Connecticut
9 Housing Finance Authority that provide the state shall pay to said
10 authority state assistance on bonds issued by said authority for
11 purposes of providing financial assistance by said authority for the
12 preservation of housing units in the housing loan portfolio that was
13 transferred from the Department of Economic and Community
14 Development to the Connecticut Housing Finance Authority pursuant
15 to section 8-37uu of the general statutes as an additional purpose
16 pursuant to the provisions of section 8-252 of the general statutes and
17 costs of issuance, in an aggregate principal amount not to exceed two
18 hundred million dollars. Said financial assistance may be in the form of
19 grants, loans, deferred loans, no interest or low interest loans, loan

20 guarantees, interest subsidies and similar financings to provide
 21 reasonable repair, deferred maintenance, rehabilitation and
 22 revitalization costs and replacement reserves. Any provision of such a
 23 contract entered into providing for payments equal to annual debt
 24 service shall constitute a full faith and credit obligation of the state and
 25 as part of the contract of the state with the holders of any bonds or
 26 refunding bonds, as applicable, appropriation of all amounts necessary
 27 to meet punctually the terms of such contract is hereby made and the
 28 State Treasurer shall pay such amounts as the same become due. The
 29 Connecticut Housing Finance Authority may pledge such state
 30 assistance as security for the payment of such bonds or refunding
 31 bonds issued by said authority for such purposes. Any bonds so issued
 32 for the housing loan portfolio by the Connecticut Housing Finance
 33 Authority and at any time outstanding may at any time or from time to
 34 time be refunded, in whole or in part, by the Connecticut Housing
 35 Finance Authority by the issuance of its refunding bonds in such
 36 amounts as the authority may deem necessary or appropriate but not
 37 exceeding an amount sufficient to refund the principal amount of the
 38 bonds to be so refunded, any unpaid interest thereon, and any
 39 premiums, commissions and costs of issuance necessary to be paid in
 40 connection therewith. The state, acting by and through the Office of
 41 Policy and Management and the State Treasurer and without further
 42 authorization, may execute an amendment to any contract providing
 43 state assistance as required in connection with such refunding bonds.

44 (c) Notwithstanding any contract entered into by the state with the
 45 Connecticut Housing Finance Authority for state assistance, the bonds
 46 or refunding bonds to which such state assistance applies shall not
 47 constitute bonds or notes issued or guaranteed by the state within the
 48 meaning of section 3-21 of the general statutes.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2008	New section
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APP *Joint Favorable Subst.*